

REDACTED

Kalama Telephone Company FCC Form 481 (July 2015), Line 112 Five-Year Service Quality Improvement Plan pursuant to 47 C.F.R. § 54.313(a)(1) Per Instructions for Completing FCC Form 481

	2014	2015
<u>Federal Universal Service Support</u>		
High Cost Loop	\$ 341,073	\$ 130,000
Connect America Fund Support	\$ 247,806	\$ 91,125
Interstate Common Line Support	\$ 599,112	\$ 248,225
Total Estimated Support	<u>\$ 1,187,991</u>	<u>\$ 469,350</u>

Expenditures for Provision, Maintenance and Upgrading of Facilities and Services Supported by Federal Universal Service Funding

Operating Expenses

Plant specific operations expense	\$ [REDACTED]	\$ [REDACTED]
Non-Specific operations expense	\$ [REDACTED]	\$ [REDACTED]
Customer operations expenses	\$ [REDACTED]	\$ [REDACTED]
Corporate operations expenses	\$ [REDACTED]	\$ [REDACTED]
Total Supported Expenses Before Return on Investment	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>

Debt Service

Rural Utility Service (RUS) Debt Repayment	\$ [REDACTED]	\$ [REDACTED]
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Plant Additions:

General support assets	\$ [REDACTED]	\$ [REDACTED]
Central office assets	\$ [REDACTED]	\$ [REDACTED]
Cable and wire facilities	\$ [REDACTED]	\$ [REDACTED]
Total Plant Additions	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>

Total Supported Expenditures, Before Return on Investment	<u>\$ [REDACTED]</u>	<u>\$ [REDACTED]</u>
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* 2015 data is actual support received and actual expenditures made from January 1, 2015 to June 23, 2015 as recorded in the company's general ledger as of June 23, 2015.

REDACTED

Kalama Telephone Company
FCC Form 481 (July 2015), Line 112
Five-Year Service Quality Improvement Plan
pursuant to 47 C.F.R. § 54.313(a)(1) Per Instructions
for Completing FCC Form 481

	2015	2016	2017	2018	2019
<u>Estimated Federal Universal Service Support</u>					
High Cost Loop	\$ 326,300	\$ 319,800	\$ 313,400	\$ 307,100	\$ 301,000
Connect America Fund Support	\$ 218,100	\$ 195,000	\$ 152,600	\$ 118,800	\$ 92,000
Interstate Common Line Support	\$ 595,740	\$ 587,100	\$ 583,800	\$ 572,100	\$ 560,700
Total Estimated Support	\$ 1,140,140	\$ 1,101,900	\$ 1,049,800	\$ 998,000	\$ 953,700

Estimated Expenditures for Provision, Maintenance and Upgrading of Facilities and Services Supported by Federal Universal Service Funding

Operating Expenses

Plant specific operations expense	\$				
Non-Specific operations expense	\$				
Customer operations expenses	\$				
Corporate operations expenses	\$				
Total Supported Expenses Before Return on Investment	\$				

Debt Service

Rural Utility Service (RUS) Debt Repayment	\$				
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Plant Additions:

General support assets	\$				
Central office assets	\$				
Cable and wire facilities	\$				
Total Plant Additions	\$				

Total Supported Expenditures, Before Return on Investment	\$				
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**Kalama Telephone Company
FCC Form 481 (July 2015), Line 510
Description of Processes and Procedures to Ensure
Compliance with Service Quality Standards and
Consumer Protection Rules Per Instructions
for Completing FCC Form 481**

This document details the processes and procedures that Kalama Telephone Company (the "Company") follows to ensure compliance with service quality standards and consumer protections rules as set forth in the Instructions for Completing FCC Form 481.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed. Plant is augmented, upgraded and/or reconfigured as service needs evolve.

In addition, Company employees are periodically briefed on issues involving service quality standards and consumer protection rules. In particular, if any set of issues appear to be prevalent, employees are given briefings on how to handle such issues. An example is the call completion problems that have arisen over the last several years and the customer calls that are generated as a result. Although this is not a service quality problem caused by the Company, it does affect customers of the Company and, therefore, deserves the attention of the Company employees.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and that the operating procedures are not in violation of consumer protection rules. If questions arise, legal counsel is sought as needed.

If a complaint pertaining to the Company's compliance with service quality standards or consumer protection rules is received by the Company, the complaint is promptly investigated, the matter tracked and any corrective action noted. This process ensures that issues involved in the matter are addressed and corrections made, if needed. It should be noted that the Company has received no customer complaints in the past five years regarding service quality standards or consumer protection rules as they relate to the service offered by the Company other than call completion issues, which, as noted above, are not caused by the Company.

**Kalama Telephone Company
FCC Form 481 (July 2015), Line 610
Statement Describing Ability to Function
in Emergency Situations Per Instructions
for Completing FCC Form 481**

At line 600 of FCC Form 481, Kalama Telephone Company (the "Company") certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(2). This means that the Company has a reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. This statement describes how the Company is prepared to provide continued service in an emergency situation.

The Company has back-up batteries that provide service for its central office during a commercial power outage, with the capacity to function for at least eight hours. In addition, there is a natural gas powered generator available which can operate as long as the natural gas supply is not interrupted. The generator will also operate with propane in case the natural gas supply is interrupted. The generator automatically starts during any power outage or spike in commercial power that powers the central office and business office. Further, the Company has propane generators installed at all but two of its remote sites. The two remote sites that do not have an install generator are supplied with a portable generator in case of a power outage.

The Company has route redundancy and diversity for interexchange access service, E-911 trunking and SS7 signaling circuits.

The Company's outside plant is primarily buried and, thus, protected from most weather events. The Company's central office switch capacity is engineered to accommodate traffic spikes, and its interexchange facilities also have the capacity to provide additional circuits for interexchange carriers should the need arise.

In the case of isolated groups of customers that may suffer damage due to a cable cut, the Company maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. The Company's emergency service equipment is located within its exchange and requires very little time to dispatch.

**Kalama Telephone Company
FCC Form 481 (July 2015), Line 1223
Voice Services Comparability Report
for Completing FCC Form 481**

Pursuant to 47 C.F.R. § 54.313 (a) (10) Kalama Telephone Company (Kalama) is in compliance with the requirement that voice services is no more than two standard deviations above the national average urban rate for voice service of \$47.48 as specified in Public Notice DA 15-470 issued on April 12, 2015. Kalama's current total local end-user rate¹ of \$16.00 (which includes a local fee of \$16.00, no mandated state fees and no mandatory extended area service charges) is not above the standard deviation as specified in the USF/ICC Transformation Order.²

¹ Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

² USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) "The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average."

WN U-1

FIFTH REVISION OF SHEET NO. 29
CANCELING FOURTH REVISION OF SHEET NO. 29

KALAMA TELEPHONE COMPANY

SCHEDULE NO. 6

WASHINGTON TELEPHONE ASSISTANCE PROGRAM

The Company participates in the Washington Telephone Assistance Program ("WTAP"), as provided in RCW 80.36.410 through .470, and Chapters 480-122 and 388-273 of the Washington Administrative Code (collectively the "WTAP laws"), offers to eligible subscribers the WTAP and applies to switched access lines within its exchange area the excise tax related to the WTAP described therein.

(C)

Subscribers eligible to participate in the WTAP, as well as certain subscribers eligible to participate under rules of the Federal Communications Commission, may also be eligible for the Lifeline service offering ("Lifeline service") under Subpart E of Part 54 of Title 47, Code of Federal Regulations ("CFR"). Within the service area for which the Company is designated as an "eligible telecommunications carrier" pursuant to Subpart C of Part 54 of Title 47 CFR, the Company offers Lifeline service to qualifying low-income consumers.

Lifeline service is a non-transferable retail local service offering that is available only to qualifying low-income consumers and for which qualifying low-income consumers pay charges that have been reduced in accordance with Subpart E of Part 54 of Title 47 CFR and, to the extent applicable, the WTAP laws. In addition, for "eligible residents of Tribal lands," as defined in § 54.400 of Subpart E of Part 54 of Title 47 CFR, the Company's Lifeline service charges are further reduced in accordance with Subpart E of Part 54 of Title 47 CFR.

The Company's offering of Lifeline service includes "toll limitation" only in the form of "toll blocking" (and not "toll control"), as those terms are defined in Subpart E of Part 54 of Title 47 CFR. "Toll blocking" is available with respect to Company-provided Lifeline service at no Company charge to the Company's subscriber to such Lifeline service.

On the issue date of this tariff sheet, "toll blocking" is defined in § 54.400 of Subpart E of Part 54 of Title 47 CFR, as "a service provided by an eligible telecommunications carrier that lets subscribers elect not to allow the completion of outgoing toll calls from their telecommunications channel." "Toll blocking" does not necessarily result in the blocking of collect calls to the subscriber's telephone line or the blocking of calls billed from another location to the subscriber's telephone line.

(C)

Issued: May 1, 2012

Effective: June 1, 2012

Issued by: KALAMA TELEPHONE COMPANY

By: Richard A. Finnigan

Title: Attorney

WN U-1

FIRST REVISION OF SHEET NO. 29.1
CANCELING ORIGINAL SHEET NO. 29.1

KALAMA TELEPHONE COMPANY

SCHEDULE 6 (Continued)

WASHINGTON TELEPHONE ASSISTANCE PROGRAM (Continued)

If the service area for which the Company is designated as an "eligible telecommunications carrier" pursuant to Subpart C of Part 54 of Title 47 CFR includes any "Tribal lands," as that term is used in § 54.413 of Subpart E of Part 54 of Title 47 CFR, then, with respect to such "Tribal lands," the Company also offers "Tribal Link Up," as defined in § 54.413 of Subpart E of Part 54 of Title 47 CFR to "eligible residents of Tribal lands," as defined in § 54.400 of Subpart E of Part 54 of Title 47 CFR. Tribal Link Up provides, under certain circumstances, (i) a reduction of the customary charge for commencing telecommunications service and (ii) other benefits pertaining to such charge and to interest charges, if any, that may apply thereto, all as specified more fully in Subpart E of Part 54 of Title 47 CFR.

(C)

The availability of the telephone assistance programs described in this schedule, or any of them, to any otherwise eligible subscriber or applicant may be subject to such subscriber or applicant granting his or her written consent to disclosure and/or transmission by the Company of certain information pertaining to that subscriber or applicant, including, but not necessarily limited to, his or her name, other subscriber- or applicant-identifying information, the service address to which the relevant telephone assistance program service is being applied for and/or is being furnished, the specific assistance program in which the subscriber or applicant participates or has applied to participate, and the date or dates of such participation or requested participation, all in accordance with the WTAP laws and/or Subpart E of Part 54 of Title 47 CFR.

(C)

Issued: May 1, 2012

Effective: June 1, 2012

Issued by: KALAMA TELEPHONE COMPANY

By: Richard A. Finnigan

Title: Attorney

Doing Business With Us

◆ Eligible Telecommunications Carrier

Kalama Telephone Company has been the local telephone company service in the Kalama area since 1904. During the intervening years, we have worked hard to build a telephone system that would provide high quality telecommunications service to the communities we serve. We have done this, notwithstanding the higher cost of serving areas in the State of Washington and when few, if any, other telephone companies are interested in serving our communities.

We have served and intend to continue to serve both residential and business customers in our service area with advanced telecommunications including internet access, high speed data services, special calling features and voice mail.

The basic services offered by Kalama Telephone Company are comprised of several components. At minimum, these include:

Services offered

Single party, voice grade access to the public switched network, including an unlimited amount of local usage (basic grade of service)

Monthly Charge
Residence \$16.00 Business \$21.00

Dual tone multi-frequency signaling or its functional equivalent (i.e., tone dialing)
No additional charge

Access to emergency 911 services

There is no additional charge by Kalama Telephone Company to end user customers for the ability to access emergency 911 services. ****

Access to operator service

There is no additional charge by Kalama Telephone Company for the ability to call the operator. However, the call may involve a charge depending on the service requested and the rates of the company whose operator handles the call.

Access to inter-exchange (Long Distance) services

There is no additional charge by Kalama Telephone Company to end-user customers for the ability to place and receive calls through long distance networks of inter-exchange carriers that offer service through our network. However, the call may involve a charge from the inter-exchange (long distance) carrier depending on the type of the call.

Access to directory assistance

There is no additional charge by Kalama Telephone Company to end user customers for the ability to call Directory Assistance. However, the call may involve a Directory Assistance charge, the amount of which depends on the area called and the rates of the company whose operators accessed.

Toll limitations service for qualifying low-income customers

There is no additional charge by Kalama Telephone Company to qualifying low income consumers for toll blocking service. Qualifying low-income customers are generally those participating in the Lifeline program.

Lifeline and Link-Up Programs

Kalama Telephone Company participates in the federal Lifeline and Link-up programs, as well as the Washington Telephone Assistance Program ("WTAP"). Under these programs, Kalama Telephone Company offers to qualifying low-income customers a discount off of the monthly rate for basic residential exchange service and a discount off of the non-recurring charge to install a basic residential exchange service line. For service on non-tribal reservation lands, Kalama Telephone Company current discounted monthly rate for Lifeline residential service is \$8.00 while the installation charge for such service may be discounted under the Link-Up program and WTAP by up to \$60.00*. Additional discounts may apply for service to qualifying low-income customers on tribal property.

*The charges set forth are subject to change, and in some instances are subject to change without notice. Certain non-recurring charges may also apply to installation or change of service. **Applicable Federal, State, County and municipal taxes and surcharges, including a federally-mandated end user surcharge per line are in addition to these amounts. *** Discounts off of this rate are available to qualifying low-income customers. ****State and County taxes apply per line to fund the provisions of this capability.

These services are available to all qualifying subscribers of Kalama Telephone Company. The charges for these services are reflected each month on our normal telephone bill and may be accompanied by charges for services provided by Kalama Telephone Company. The services listed above are those that Kalama Telephone Company offers and must advertise in order to be eligible for federal support funds that are used to help offset the high cost of serving rural areas and bringing affordable telephone service to residents and businesses in rural areas. Other services are available by contacting Kalama Telephone Company's business office at 673-2755.

PAID ADVERTISEMENT

Kalama Telephone Company has been the local telephone company in the Kalama area since 1904. During the intervening years, we have worked hard to build a telephone system that would provide high quality telecommunications services to the communities we serve. We have done this notwithstanding the higher cost of serving rural areas in the State of Washington and when few, if any, other telephone companies were interested in serving our communities.

We have served and intend to continue to serve both residential and business customers in our service area with advanced telecommunication services, including internet access, high speed data services, special calling features and voice mail.

THE basic services offered by Kalama Telephone Company are comprised of several components. At a minimum, these include:

SERVICES OFFERED:

MONTHLY CHARGE*	
Residence	\$21.98
Business	\$16.00**+**

Single party, voice grade access to the public switched network, including an unlimited amount of local usage (basic grade of service)

Dual tone multi frequency signaling or its functional equivalent (i.e. tone dialing)

No additional Charge

Access to emergency 911

*There is no additional charge by Kalama Telephone Company to call user customers for the ability to access emergency 911 services. ****

Access to operator service

There is no additional charge by Kalama Telephone Company for the ability to call the operator. However, the call may involve a charge depending on the time of day and the rate of the company whose operator handles the call.

Access to interexchange (long distance) services

There is no additional charge by Kalama Telephone Company to call user customers for the ability to place and receive long distance calls. However, the call may involve a charge from the interexchange (long distance) carrier depending on the type of call.

Access to directory assistance

There is no additional charge by Kalama Telephone Company to call user customers for the ability to call Directory Assistance. However, the call may involve a Directory Assistance charge, the amount of which depends on the area called and the rates of the company whose operators are called.

Toll limitation service for qualifying low-income customers

There is no additional charge by Kalama Telephone Company to qualify low-income customers for toll blocking service. Qualifying low-income customers are generally those participating in the Lifeline program.

Lifeline Program

Kalama Telephone Company participates in the Federal Lifeline program as well as the Washington Telephone Assistance Program ("WTAP"). Under these programs, Kalama Telephone Company offers to qualifying low-income customers a discount off of the monthly rate for basic residential exchange service and a discount off of the non-exchange charge to install a basic residential exchange service. To be eligible for the program, a customer must be a Washington resident, a Kalama Telephone Company's current disconnected monthly rate for residential service is \$24.00. Additional discounts may apply for service to qualifying low-income customers on other levels.

*The charges set forth are subject to change, and in some instances are subject to change without notice. Certain non-recurring charges may also apply to installation or change of service. ** Applicable Federal, State, County and municipal taxes and surcharges, including a federally mandated end user surcharge per line, are in addition to the amounts shown. *** Discounts of this rate are available to qualifying low-income customers. **** State and County taxes apply per line to fund the provision to this capability.

These services are available to all qualifying subscribers of Kalama Telephone Company. The charges for these services are reflected each month on our current telephone bill, and may be accompanied by charges for other services provided by Kalama Telephone Company. The services listed above are those that are used to help offset the high cost of serving rural areas and bringing affordable telephone service to residents and businesses in rural areas. Other services are available by contacting Kalama Telephone Company business office at 673-2755.

KALAMA TELEPHONE COMPANY

PAID ADVERTISEMENT

**Kalama Telephone Company
FCC Form 481 (July 2015), Line 1222
Description of Details on the number of minutes
provided as part of the plan Per Instructions
for Completing FCC Form 481**

Kalama Telephone Company only provides its lifeline customers a flat rate local service which includes unlimited local and extended area service (EAS) calling.

**Kalama Telephone Company
FCC Form 481 (July 2015), Line 1223
Description of,
and rates for each such plan Per Instructions
for Completing FCC Form 481**

Kalama Telephone Company does not provide toll services directly to subscribers. Kalama Telephone Company does provide its subscribers with access to toll providers (long distance carriers). A lifeline subscriber may choose their own toll provider and are subject to the rates of the selected toll provider.



June 22, 2015

Ms. Marlene H. Dortch, Secretary
Federal Communication Commission
Office of the Secretary
455 12th Street, SW
Washington, DC 20554

RE: WC Docket No. 14-58 –
Annual Report Due July 1, 2015, FCC Form 481 for
Rate of Return Carriers Receiving High-Cost Support –
47 C.F.R. § 54.313(f)(1) "Milestone Certification"

Dear Ms. Dortch:

In compliance with the filing requirements associated with FCC Form 481 due July 1, 2015, and in compliance with Section 53.313(f)(1) of the Commission's rules, Kalama Telephone Company (Study Area 522426) hereby certifies that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

Sincerely,

KALAMA TELEPHONE COMPANY

Steven D. Hanson
President

**Kalama Telephone Company
FCC Form 481 (July 2015), Line 3012
Progress Report on 5 Year Plan - Community Anchor Institutions
for Completing FCC Form 481**

Kalama Telephone Company (Kalama) did not deploy any new broadband services in the preceding calendar year, January 1 to December 31, 2014, to any community anchor institutions. To date for 2015, Kalama has not deploy any new broadband services to any community anchor institutions.

REDACTED

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Kalama Telephone Company			
INSTRUCTIONS -Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2014		BORROWER DESIGNATION WA0544	
CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)					
<input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.					
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report					
_____ DATE _____					
PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = % of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION <div style="background-color: black; width: 40px; height: 15px; margin: 5px 0;"></div> PERIOD ENDING December, 2014	
INSTRUCTIONS- See RUS Bulletin 1744-2		
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

REDACTED

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0544

PERIOD ENDED

December, 2014

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Kalama	21.00	16.00					
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total							
No. Exchanges	1						

REDACTED

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2							BORROWER DESIGNATION WA0544 PERIOD ENDED December, 2014	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION								
4. BROADBAND SERVICE								
Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Kalama							StandAlone	DSL
Total								

REDACTED

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0544 PERIOD ENDING December, 2014
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
8		6	120	

PART E. TOLL DATA

1. Study Area ID Code(s) a. 522426 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) <table style="width: 100%;"> <tr> <td style="width: 40%;">Interstate:</td> <td style="width: 20%;"><input type="checkbox"/> Average Schedule</td> <td style="width: 40%;"><input checked="" type="checkbox"/> Cost Basis</td> </tr> <tr> <td>Intrastate:</td> <td><input type="checkbox"/> Average Schedule</td> <td><input checked="" type="checkbox"/> Cost Basis</td> </tr> </table>	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis
Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis					
Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis					

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0544 PERIOD ENDING December, 2014
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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒ YES ☐ NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	16.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	16.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	15.00%
7. Land and support assets - General purpose computers	25.00%
8. Central Office Switching - Digital	9.00%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	11.19%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	7.59%
19. Cable and wire facilities - Aerial cable - Metal	20.40%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	4.55%
26. Cable and wire facilities - Other	

REDACTED

USDA-RUS

BORROWER DESIGNATION

WA0544

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December, 2014

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
See notes for explanation	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

Revision Date 2010

REDACTED

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0544
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
<div data-bbox="94 386 1451 470">[REDACTED]</div> <div data-bbox="94 554 1451 680">[REDACTED]</div>	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0544
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	